being there...

ZEN TECHNOLOGIES LIMITED

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Corporate Identity Number : L72200TG1993PLC015939

Date: 14th April 2021

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001
Through: BSE Listing Centre

To
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
Through: NEAPS

Security Code: 533339

Symbol/Security ID: ZENTEC

Dear Sir/Madam,

Sub: Outcome of Virtual Calls with Institutional Investors / Analysts

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to the above captioned subject and in furtherance to our letter dated April 14th 2021, we're enclosing herewith the investor meet deck which was presented during the virtual call with the participants.

The above information is also available on the website of the Company: https://www.zentechnologies.com/corporate-announcements

This is for your kind information and records.

Thanking You.

Yours faithfully,
For Zen Technologies Limited

ZEN TECHNOLOGIES LIMITED
being there

Hansraj Singh Rajput
Company Secretary & Compliance Officer
M. No. A38213

Zen Technologies Limited

Zen Technologies Limited
Investor Meet Deck

India’s leading defence training solution provider

NSE: ZENTEC
BSE: ZENTEC - 533339
BLOOMBERG: ZEN IN
REUTERS: ZETE.BO

Inside the Document

Zen Technologies at a glance

A pioneer in providing state of art Defence Training Solutions for imparting defense training and measuring combat readiness of security forces. The company is engaged in indigenous design, development and manufacturing of sensors and simulators technology based defence training systems.

27+
YEARS OF EXPERIENCE

100+
CUSTOMERS SERVED

109
PATENTS FILED

ORDER BOOK OF
~195+
CRORES*

200+
EMPLOYEES

1,000+
CUMULATIVE INSTALLATIONS

*Order book as on 31st December 2020

Business Canvas

SALE OF EQUIPMENT

- A leader in manufacturing defence training solution with **> 95% market share** in tank simulators.
- **Infrequent but large order size** with long closing cycles is an **inherent characteristic** of this segment.
- **Huge opportunity size** in existing products with strong focus on R&D for continuous new additions to product basket.
- Focus on **Anti-Drone Simulators**

COMBAT TRAINING CENTRE

- A training platform to provide realistic battle experiences by **integrating together the entire range of product offerings.**
- **Big ticket size offerings** with potential order wins worth USD 25M for single installation.
- Expected growth in export market on the back of attractive **EXIM financing options.**

ANNUAL MAINTENANCE CONTRACT

- A **recurring revenue stream** with superior profitability margins.
- Addition in simulator installations base leads to growth in revenues from AMC
- Growing service revenue from AMC **ensures profitability** even **in absence and lumpiness of new equipment orders**
- AMC revenues start kicking in after 3 years of equipment installation.

R&D – Our Strong Suit

At Zen, continuous research efforts have resulted in creation of diverse technological solutions and corresponding patent portfolio. Till date the company has filed for more than 109 patents for the pioneering initiatives undertaken, of which **27 have been granted**.

~67
CRORES OF INVESTMENTS IN R&D IN LAST 5 YEARS

~17%
OF CUMULATIVE SALES INVESTED IN R&D IN THE LAST 5 YEARS

109
PATENTS FILED

- **IP driven business** with bill of materials not contributing to more than 10%-25% of the final product cost.
- Investments in R&D over the last years has resulted in continuous new product additions. The company has recently come out with Anti-Drone system technology and is making **further investments in development of Air Defence Gun Simulators.**
- Willing to take **short term pain with possibility of long-term gains.**
- Investments made in **R&D written off in P&L**
- High investments made in R&D throughout the lifetime of the company make creates **high entry barriers for a new entrant.**

New Product Additions

Anti-Drone Systems

Anti-Drone Simulators & Drone Simulators

Integrated Air Defence Combat Simulators

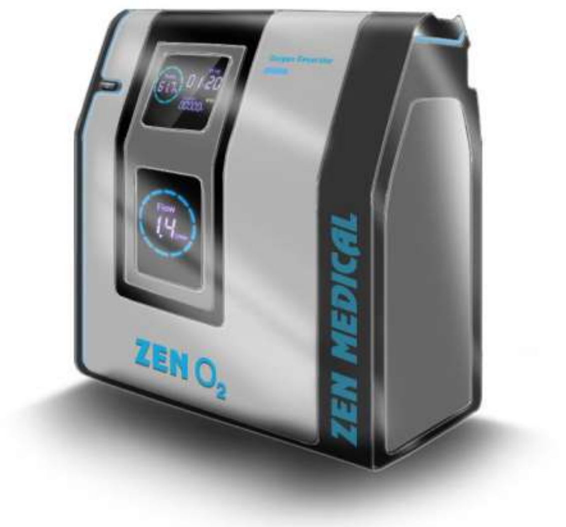
Logistic Drones

- With **changing warfare dynamics,** drones have become a major threat to any country's security.
- Authorities across the globe investing in technologies to neutralize this threat.
- **Wide applications.** Not only restricted to military training.
- A **huge opportunity size.**
- New products to **contribute significantly to the revenues and profitability** in the coming years.

New Product Additions

ZEN MEDICAL TECHNOLOGIES

Oxygen Enrichment Unit



*Design conceptual

Focus on **Medical Simulators**

Developed a **Medical Ventilator**

Received Transfer of Technology for Oxygen Enrichment Unit

Plans to introduce 2-3 new products in this segment by end of the year

Strategic Priorities

The business model of the company has been strategically positioned to reduce lumpiness and enhance the profitability in the coming years.

Continue to grow the sales of Equipment and **expand the product portfolio** with strong focus on emerging space Anti-Drone systems.

Scale the AMC business, where the contributions from **AMC can take care of the fixed operating expenses.**

Develop and expand the international presence and exports with friendly countries.

Continuously improve competitiveness, efficiency and drive operational excellence.

Strong Regulatory Tailwinds

The defence business is a regulated one, which is largely impacted by government policy and budget allocation to the sector. The government's keen focus on Make in India and Atmanirbhar Bharat campaign has created conducive environment

The Government of India (GOI) has formulated several measures along with strict implementation timelines.

- **Import embargo** on 101 items (9 items manufactured by Zen Technologies Limited) to enhance domestic manufacturing.
- Aligning Defence Acquisition Procedure (DAP), 2020, with the long-term goals of **increase in indigenized content** under various categories
- Aggressive push towards **MAKE -2**
- **INR 52,000 crores** allocated for equipment procurement from domestic defence industry.
- **Exports target of INR 35,000 crores by 2025.** Strong support to the industry for exports of equipment to friendly countries by offering attractive financing option through EXIM bank.
- Enhancement of **FDI limit to 74%** under automatic route.
- Significant **reduction in receivables from government.**

The confluence of all these factors provides for a strong regulatory tailwind for the Indian defence space.

Investment Merits

ASSET-LIGHT
business model

INCREASING SHARE OF AMC
which is annuity in nature

STRONG REGULATORY
tailwinds

Focus on
HIGH VALUE COMPLEX SYSTEMS

INCREASING R & D SPENDS
with special emphasis on Anti-Drone systems for armed forces

STRONG BALANCE SHEET
with zero debt

Disclaimer

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Let’s connect

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